AVRA VALLEY IRRIGATION & DRAINAGE DISTRICT

14901 North Aguirre Road MAINTEE

Marana, Arizona 85653

January 27, 2005

Mr. J. Tyler Carlson Regional Manager – Desert Southwest Region Western Area Power Administration Post Office Box 6457 Phoenix, Arizona 85005-6457

Re:

Comments on Parker-Davis Project - Post 2008
Resource Pool Procedures and Supplement to Application for 1 Megawatt of Parker-Davis Project Power

Dear Mr. Carlson:

The Avra Valley Irrigation and Drainage District, Pima County, Arizona, (District) is a political subdivision of the State, organized and existing under the laws and the Constitution of the State of Arizona. It is a qualified applicant which comes under Paragraph II of General Eligibility Criteria set forth in the Federal Register concerning the Post 2008 marketing of the Parker-Davis Project Resource Pool. It is a distributor of electric energy to the irrigation pumps of its landowners through its agent, Trico Electric Cooperative and is a utility.

The District believes that having given first consideration under II(B) to entities who do not have a contract with Western for federal power resources or are not a member of a parent entity with such a contract, that Western amend its criteria and reserve the right to take into account special circumstances and unique considerations that may justify consideration to other classes of qualified applicants. The District believes it has special circumstances justifying an allocation of one megawatt of Parker Davis Project power to it to maintain the economic viability of its irrigation pump owner customers. Currently, the District receives only 610 kW of hydropower, and cannot serve five (5) of is twelve (12) customers.

The District generally agrees with the criteria set forth in under Paragraph III - General Allocation Criteria in the Federal Register publication.

Concerning Paragraph IV General Contract Principles, except for the following, the District believes those are acceptable.

- a. Payment in Advance: It should be clearly stated in the Contract that any payment in advance will be payment of the monthly power bills no more than two (2) months in advance, and will not be a blank check for Western to require additional payments.
- b. General Power Contract Provisions: Concerning the GPCPs and standard provisions in the sales contracts, particularly the concept of Section 12 in the proposed Parker-Davis Contract, those provisions should be worded so that it is clear that before any power is taken from a contractor or an allocation under contract is reduced that the contractor has sufficient notice, opportunity to comment and participate in a discussion, and has an

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opportunity to cure any defects and to exhaust any appeals before losing any power resource under contract.

c. General Allocation Criteria - The economic viability of irrigated agriculture within the District is threatened by the lack of Federal power for use by all of the landowner pumps in the District. The cost of gas as an alternative fuel supply is prohibitive and uneconomical and threatens continued survivability of District agriculture. The District landowners have fifteen (15) pumps which are served with natural gas. The price of gas makes irrigated agriculture by these fifteen (15) pumps not economically viable. An additional one (1) megawatt of Federal Power is needed and the District requests an allocation of at least one (1) megawatt of Parker-Davis Project power from the pool.

Sincerely,

AVRA VALLEY IRRIGATION & DRAINAGE

DISTRICT